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**NATIONAL SECURITY AGENCY  
CENTRAL SECURITY SERVICE  
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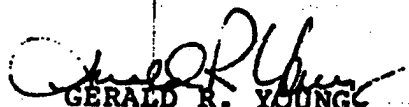
**Serial: Q-037-87  
11 June 1987**

**MEMORANDUM FOR DIRECTOR, OFFICE OF INDUSTRIAL RESOURCE ADMINISTRATION  
DEPARTMENT OF COMMERCE**

**SUBJECT: NSA Response to NSSD Draft Paper on Foreign Direct  
Investment in the United States (S) - INFORMATION  
MEMORANDUM**

1. (S) We have reviewed the draft NSSD on Foreign Investment in the United States and find the paper quite thorough in its treatment of those scenarios where foreign investment could be detrimental to national security and related interests. We agree with the conceptual approach you've taken in identifying sensitive sectors of the economy which may require investment screening. This approach allows for more flexibility in a constantly changing economic and technological environment, and eliminates the possibility of being "boxed in" by specifics.

2. (S) We recommend no substantive changes to the paper at this time. The concerns we voiced on this issue in the past, i.e., CFIUS review of the Fairchild-Fujitsu case, have been adequately addressed. We understand that another rewrite of the draft is underway as per instructions from the NSC. Our hope is that the current approach is kept intact.

  
**GERALD R. YOUNG  
Deputy Director  
for  
Plans and Policy**

**Classified By NSA/CSSM 173-2  
Declassify On: Originating Agency's Determination Required**

2.  
**~~SECRET~~**